Nova Scotia POWER
An Emera Company
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December 15, 2025

Crystal Henwood
Clerk of the Board
Nova Scotia Energy Board
1601 Lower Water Street, 3rd Floor
Halifax, NS B3J 3S3

Re: M12521 2026 DSM Cost Recovery Rider (DCRR)

Dear Ms. Henwood:

On October 22, 2025 Nova Scotia Power Inc. (NS Power, Company) filed its Application for Approval of the 2026 DCRR. The Company received IRs from the Nova Scotia Energy Board (NSEB, Board), the Consumer Advocate (CA), Industrial Group (IG), and the Small Business Advocate (SBA) on November 14, 2025, and filed its responses three days in advance of the due date on November 25, 2025. On December 12, 2025, NS Power received comments from the CA, the Municipal Electric Utilities (MEUs), IG, and the SBA.

NS Power appreciates the comments received from parties and notes that all parties support the proposed 2026 DSM Cost Recovery Rider. The Company also acknowledges the IG's proposal that the effective date of the 2026 DCRR align with rate changes resulting from the 2026-2027 General Rate Application (GRA) proceeding (M12451). NS Power believes it is appropriate to respond to this proposal, as the IG's letter did not include the full quotation from NS Power's October 1st letter. The complete quotation is as follows:

> The DSM Rider Application is comprised of two components: the Program Cost Recovery (PCR) and the Balance Adjustment (BA). In the event the DSM Rider was not approved by January 1, 2026, the current DSM Rider could remain in place post-December 31, 2025, until such time the new DSM Rider is approved. The level of spending for DSM programming in 2026 is forecast to increase only marginally relative to 2025 levels. Any under collection as a result of a delay in approval would be captured as part of future BA true ups. **The Company notes that the BA portion of the DSM Rider currently in effect is providing an overall net credit to customers and maintaining that credit into 2026 would under collect the true-up required in 2026.** [emphasis added]

NS Power acknowledges that there is a mechanism to account for differences in the PCR but also notes the implications of not changing the BA portion of the 2026 DCRR.

Customers would continue to receive a net credit under the current BA, even though the 2026 BA is designed to collect under-recoveries from 2024. The DCRR is an annual rider and NS Power respectfully requests that the 2026 DCRR be approved effective January 1, 2026.

Yours truly,

Michael Willett
Director, Regulatory Finance